STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

BEFORE THE RHODE ISLAND PUBLIC UTILITIES COMMISSION

City of Newport, Utilities
Department, Water Division Application to Implement a
Multi-Year Rate Plan Pursuant to
R.I. Gen. Laws Section 39-15.1-4
(filed 2/13/2019)

Docket No. 4933

Surrebuttal Testimony of

Brian C. Collins

On behalf of

The United States Department of the Navy

September 11, 2019



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Surrebuttal Testimony of Brian C. Collins

1 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS. 2 Α Brian C. Collins. My business address is 16690 Swingley Ridge Road, Suite 140, 3 Chesterfield, MO 63017. ARE YOU THE SAME BRIAN C. COLLINS WHO PREVIOUSLY FILED 4 Q **TESTIMONY IN THIS PROCEEDING?** 5 6 Α Yes. 7 Q ARE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE OUTLINED IN YOUR PRIOR TESTIMONY? 8 9 Yes. This information is included in Appendix A to my direct testimony filed July 10, 10 2019.

1 Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

I am appearing on behalf of the United States Department of the Navy ("Navy"). Our firm is under contract with Navy to perform cost of service, rate design and related studies. Naval Station Newport in Newport, Rhode Island purchases large volumes of water from the Water Division of the City of Newport ("Newport Water"). Thus, Navy has a direct economic interest in how the cost of providing water service to it is determined.

8 Q WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

9 A The purpose of my surrebuttal testimony is to respond to the rebuttal testimonies of
10 Newport Water witnesses Ms. Julia Forgue and Mr. Harold Smith. The fact that I do
11 not address Newport Water's or any other party's position on a particular issue should
12 not be construed as tacit agreement with that party's position.

13 Response to Rebuttal Testimony of Ms. Julia Forgue

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14 Q HAVE YOU REVIEWED THE REBUTTAL TESTIMONY OF MS. JULIA FORGUE 15 WITH RESPECT TO THE NAVY WHEELING ACCOUNTS?

Yes. At page 42 of Ms. Forgue's testimony, she states that Newport Water is willing to amend the contract with Navy with respect to the wheeling accounts. She also indicates that if the contract between Navy and Newport Water governing the wheeling accounts is not modified before the end of this docket, the contract would have to be modified in Newport Water's next rate case so that the impact on Newport Water's revenues are properly captured in rates.

Q HOW DO YOU RESPOND?

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Navy intends to engage Newport Water with respect to the wheeling accounts to contractually resolve the issue of the wheeling accounts to the satisfaction of both Newport Water and Navy. Navy plans to resolve the wheeling account issue with Newport Water and put in place contractual modifications in time for the next rate filing by Newport Water so that the impact on Newport Water's revenues are captured in rates.

Response to Rebuttal Testimony of Mr. Harold Smith

- 9 Q HAVE YOU REVIEWED THE REBUTTAL TESTIMONY OF MR. HAROLD SMITH

 10 WITH RESPECT TO THE ISSUE OF WATER LOSS RESULTING FROM A MAIN

 11 BREAK IMPACTING THE CALCULATION OF NAVY'S MAXIMUM DAY DEMAND
- 12 FACTOR IN THIS RATE CASE?
- 13 A Yes. At page 17 of Mr. Smith's rebuttal testimony, he states that Newport Water
 14 agrees to exclude the water lost during the January 10, 2018 main break from its
 15 analysis of Navy peak demands in this rate case.
- 16 Q DOES NAVY OBJECT TO MR. SMITH'S PROPOSAL?
- 17 A Navy does not object to his proposal.

1	Q	HAVE YOU REVIEWED THE REBUTTAL TESTIMONY OF MR. HAROLD SMITH
2		WITH RESPECT TO WHETHER ADJUSTING THE GREEN LANE METERING
3		DATA FOR THE CALCULATION OF NAVY'S MAXIMUM DAY DEMAND FACTOR
4		IS APPROPRIATE?
5	Α	Yes. At pages 18-19 of Mr. Smith's rebuttal testimony, he states that he disagrees
6		with my recommendation to adjust the Green Lane metering data for Navy's
7		Maximum Day Demand factor calculations. He also explains in his rebuttal testimony
8		why the Green Lane metering data used for Navy's Maximum Day Demand factor
9		calculation was not adjusted in the same way that the data was adjusted for Navy's
10		Maximum Hour analysis.
11	Q	HOW DO YOU RESPOND TO MR. SMITH'S POSITION?
12	Α	Based on Mr. Smith's explanation in his rebuttal testimony, I do not oppose his
13		calculation of Navy's Maximum Day Demand factor using the Navy's unadjusted
14		Green Lane metering data.
15	Q	IN HIS REBUTTAL TESTIMONY, DOES MR. SMITH PROPOSE TO USE
16		MITIGATION IN DESIGNING RATES?
17	Α	Yes. Mr. Smith proposes to set rates for FY2020 such that the rates for all classes
18		move halfway to cost of service. His proposal is described at pages 26-27 of his
19		rebuttal testimony.
20	Q	HOW DO YOU RESPOND TO MR. SMITH'S POSITION?
21	Α	Navy does not oppose his mitigation proposal.

1 Q DOES THIS CONCLUDE YOUR SURREBUTTALTESTIMONY?

2 A Yes, it does.

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